



Testimony of Erik C. Jorgensen, MaineHousing
In support of LD 1732,

**An Act To Amend the Sales Tax Exemption for
Nonprofit Housing Development Organizations**

Feb 8, 2022

Senator Chipman, Representative Terry, and members of the Committee on Taxation, good morning and thank you for holding this hearing. I am Erik Jorgensen, and serve as Director of Government Relations and Communications at MaineHousing. I am submitting this testimony in support of LD 1732.

This is a technical bill that, for purposes of this tax exemption, clarifies that nonprofit developers may be working to create housing to serve households at or below 120% of area median income. This level of income fits squarely into the domain of “workforce housing”. This is a concept that has considerable currency in this moment, a time when houses that used to be considered “starter homes” are increasingly difficult to purchase --and even harder to build new.

While access to this tax exemption is not likely to make or break a project, if the object is to build a home that is affordable to teachers, firefighters or municipal officials, every dollar counts. It is also important to point out that moving families into starter homes usually frees up apartments, which are also in very short supply.

To us, this would seem to be a commonsense measure, one that is consistent with Maine’s housing goals, and fair to all of our nonprofit development organizations. We appreciate that Rep. Gere brought it forward and hope that the Taxation Committee will choose to support it.